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Activities of Chinese Residents in Korea

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- 1. Before the "liberation," there were approximately 4,000 Chinese residents in North Korea. It is believed that during the last three years, this number has increased to about 40,000, as a result of immigration from the Communist areas of Manchuria and North China. A majority of the Chinese residents are petty traders, shop keepers, farmers and laborers.
- 2. Trade between Manchuria and North Korea is dominated by the Yung An. Tung Hua and Li Min* trading companies, which were established under the direction of the Chinese Communist Party (CCP) with the proceeds from many shipments of textiles and clothing from Communist Manchuria to North Korea during 1946. These firms are licensed by the North Korean government and have recently become more active and prosperous by adopting a direct transport system instead of transchipping at the border. These semi-official companies have eclipsed the smuggling trade across the border which continues only on a small scale. The extent of Chinese participation in trade with areas other than Manchuria is unknown, though it is thought to be slight.
- 3. The majority of the post-liberation Chinese immigrants are reportedly ardent Communists, though none are known to hold membership in North Korean political organs. The Chinese seldom participate either as individuals or as members of Chinese resident associations in North Korean official ceremonies. It is believed that the political influence of the Chinese as a minority group is not great, last year the North Korean government reportedly moved 1,000 former Chinese Communist laborers to Vladivostok and Karafuto at the direct request of the Soviet government.
- 4. In South Korea there are approximately 13,000 Chinese residents who are generally apathetic toward both the CCP and the Kuomintang (KMT). Past efforts of the Chinese Embassy and the CCP to gain strength among the Chinese residents in South Korea were largely unsuccessful, though the Chinese Communists can now be expected to increase their efforts. The members of the Chinese Embassy are nominally loyal to the Nationalist government, but have indicated to American friends that their primary interest is to find safe haven, even at the expense of the KMT effort in South Korea.

25X1A Comment. It has been reported that the head of the Li Min Trading Company is the Chinese Communist general, LIN Ho.

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